

## **DECISION MEMORANDUM**

**TO: COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSIONER KEMPTON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM: WELDON STUTZMAN  
DEPUTY ATTORNEY GENERAL**

**DATE: APRIL 1, 2009**

**SUBJECT: CASE NO. IPC-E-09-05  
IDAHO POWER'S APPLICATION TO INCREASE THE ENERGY  
EFFICIENCY RIDER**

On March 13, 2009, Idaho Power Company filed an Application for Commission approval of an increase to its Energy Efficiency Rider, Tariff Schedule 91, from 2.5% to 4.75% of base revenues effective June 1, 2009. The Energy Efficiency Rider is a Commission-approved means for Idaho Power to raise funds to support its demand-side management (DSM) or conservation programs. The Rider initially approved in 2002 was a \$.30 per month charge to residential customers and a cents-per-kilowatt hour charge for all other customer classes, and provided approximately \$2.6 million annually for DSM programs. In 2004, the Commission approved an increase in the Rider to 1.5% of base revenue applied uniformly to all customer classes. In 2008, the Commission approved an increase in the Rider to 2.5% of base revenue, effective June 1, 2008, which collects approximately \$17.4 million per year for Idaho Power's DSM programs.

The Company's Application states that its expected DSM program expenditures for 2009 will be \$29,668,429. The Company alleges that if the Rider is not increased as proposed, the deficit balance in the Rider funded account is expected to grow to \$16.2 million by year-end 2009. If the Rider is increased to 4.75% of base revenues, Idaho Power expects the Rider to collect approximately \$33 million per year.

Idaho Power requests that its Application to increase the Energy Efficiency Rider from 2.5% to 4.75% of base revenue be processed by Modified Procedure. Staff recommends

that the Commission issue a Notice of Application and Notice of Modified Procedure to establish a comment period and process Idaho Power's Application.

**COMMISSION DECISION**

Should the Commission issue a Notice of Application and Notice of Modified Procedure to process Idaho Power's Application for an increase in the Energy Efficiency Rider?

A handwritten signature in black ink, appearing to read 'WBS', followed by a long horizontal line.

Weldon B. Stutzman  
Deputy Attorney General

bls/M:IPC-E-09-05\_ws